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## ELITE FORMATION IN BANGLADESH POLITICS

### Introduction

"The study of politics is the study of influence and the influential... The influential are those who get the most of what there is to get. Available values may be classified as deference, income, safety. Those who get the most are elite; the rest are mass".<sup>1</sup> The very concept of elite, as enunciated by Harold D. Lasswell, indicates why elites, though essentially a segment of the society, are of so crucial concern to the politics of a particular polity. There is a popular saying that modern government is a government by elite. The validity of the saying lies not only in the context of the liberal democratic states where social stratifications and inequalities are a fact of life, but also in communist societies where the left revolutionary parties have captured power in the name of establishing a dictatorship of the proletariat. The socio-political systems of U.S.S.R. and China are best examples.<sup>2</sup>

1. Harold D. Lasswell, *Politics : Who gets what when how*, ( New York : Whittlesey House, 1936), p. 3.
2. Even a socialist society, several writers have pointed out, will be ruled by a small number of men who, in practice, will run its industrial concerns, command its army, decide what proportion of the national resource should be allocated to saving, and fix scales of remuneration. "This minority", writes Raymond Aron, with reference to Communist political systems, "has infinitely more power than the political rulers in a democratic society, because both political and economic power are

In fact, in every society, irrespective of ideology and class biasness, elites are present and predominant and also "have the most of what there is to have, which is generally held to include money, power and prestige—as well as the ways of life to which these lead."<sup>3</sup> In other words, in a society, elites hold the key positions of those institutions which are "the necessary bases of power, of wealth, and of prestige, and at the same time, the chief means of exercising power of acquiring and retaining wealth and of cashing in the higher claims of prestige".<sup>4</sup> Analyses of the process of elite formation in a society thus help understand the whole power play of that society. Elite formation in Bangladesh politics is a case in point.

Bangladesh, though "inherited a social structure without any sharp economic cleavage"<sup>5</sup>, is indeed characterized by a pervasive elite-mass gap. A small section of the society which is distinct from the masses and stand as an exclusive class in terms of income, wealth, privilege, influence and power, has been playing a "winner-takes-all" game in Bangladesh politics. Such is the situation that decisions and policy making being the monopoly of the elites fail to cater to the needs, aspirations and perceptions of the disadvantaged masses. The result is that in Bangladesh whatever change or development takes place assumes a distorted pattern of distribution biased to the elites

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concentrated in their hands.... Politicians, trade union leaders, public officials, generals and managers all belong to one party and are part of an authoritarian organization. The unified elite has absolute power. All intermediate bodies, all individual groupings and particularly professional groups, are in fact controlled by delegates of the elite." See Raymond Aron, "Social Structure and the Ruling Class", in *British Journal of Sociology*, Vol. 1, No. 2, June 1950, p. 131, quoted in S.P. Varma, *Modern Political Theory : A Critical Survey* (New Delhi: Vikas Publishing House, 1980), p. 238.

3. C.W. Mills, *The Power Elite*, (New York : Oxford Univesity Press, 1956) p. 9.
4. *ibid.*
5. Talukder Maniruzzaman, *Group Interests and Political Changes : Studies of Pakistan and Bangladesh* (New Delhi : South Asian Publishers, 1982).

at the cost of the masses.<sup>6</sup> Who are the elites in Bangladesh? How have they emerged? Which group of elites are now dominant in Bangladesh politics? How policies of a particular regime have contributed to the emergence of a new class of elite in the country? The present paper addresses some of these issues.

### Elite Formation in Bangladesh: Background

#### Pre-1947 Period :

Prior to the departure of the British rulers from India, the first major step that led to the rise of an "elite class" in Bengal was the Permanent Settlement Act of 1793. The Permanent Settlement created "a vast body of rich landed proprietors deeply interested in the continuance of the British Dominions and having complete command over the masses".<sup>7</sup> Hereditary rights on land under this system not only created vested interests in traditional elites but also led to the rigid division of labour in which the landlords lived by permanent exploitation of the peasantry. This new group of landed elites came up mainly from the Hindus while the Muslims were neglected and remained poverty-stricken peasants. The system operated until 1947 and of 2237 large landholders, only 358 were Muslims.<sup>8</sup>

Another major step in forming elite class by the colonial rulers in this region was the creation of an educated middle class. In order to create a native administrative class and a group of "white-collar workers", the colonial rulers introduced a new system of English education in India in the middle of the Nineteenth century. Scientific and professional education of different varieties which were then

6. See Iftekharuzzaman and Mahbubur Rahman, "Nation building in Bangladesh: Perceptions, Problems and an Approach," in M. Abdul Hafiz and A Rob Khan (eds.) *Nation building in Bangladesh: Retrospect and Prospect* (Dhaka : BISS, 1986), p. 27.
7. Asaf Hussain, *Elite Politics in an Ideological State: The Case of Pakistan* (Dawson, 1979), p. 23.
8. See J.F. Stepanek, *Bangladesh: Equitable Growth?* (New York : Pergamon Press, 1979).

evolving in western university systems were deliberately implanted in India. In Calcutta, the Hindu college was established in 1816 and the Mohammedan college in 1823. The University of Calcutta came into being in 1857 and the University of Dhaka was set up in 1920. These educational institutions along with various colonial modernization policies led to the development in Eastern Bengal of a small Muslim educated middle class in the late Nineteenth and early twentieth centuries.<sup>9</sup>

At the time of independence from the British in 1947 the elite in Bengal thus consisted of four main groups, viz, a small category of big Zamindars of which a very few were Muslims, with the Dhaka Nawab family as the foremost one; a sizeable section of petty Zamindars, Jotedars and rich farmers who came from both the religious groups-Hindus and Muslims. Some mercantile groups comprised mainly of the non-Bengali speaking immigrants like the Adamjees, Dadas, Isphahanis etc. who were concentrated in Calcutta;<sup>10</sup> and a small section of English educated, professional and salaried middle class elements, most of whom belonged to the affluent section who received modern education by virtue of their privileged economic position in the existing social structure.

### **Pakistan Period**

Elite composition in Bangladesh during Pakistan period underwent certain changes as a result of acquisition of Zamindaries by the state, military rule in late fifties and early sixties, and the financial policy of the Pakistani power elite.

With the partition of Bengal following the division of India into two states and subsequent large-scale migration of Hindus belonging

9. See Muhammad Shahidullah, "Political Underdevelopment in Bangladesh," in M. Mohabbat Khan and John P. Thorp (eds.) *Bangladesh : Society, Politics and Bureaucracy*, (Dhaka : Centre for Administrative Studies, 1984), pp. 171-172.
10. For details on the emergence of the Muslim Business Class in Bengal, See, Bazlur R. Khan, "Muslim Business Community and Politics in Bengal 1920-40", *Bangladesh Historical Studies*, Vol. V-VI, 1980-81.

to the landowning professionals, commercial-industrial classes, a big gap was created in the social and economic structure of East Pakistan. In fact, the migration of the Hindu Zamindars, money lenders and professional people from East Bengal led to the rise of the new higher and middle classes in East Bengal.

The second important measure which brought about some changes in the social structure of East Bengal was the East Bengal State Acquisition and Tenancy Act of 1950. It removed the legal and economic basis for the retention of landlordism in the region. The abolition of landlordism, the introduction of a variety of modern organizational structures, the expansion of the modern educational systems, considerably expanded the strength and size of the Bengal Muslim middle class in the 1950s and 1960s.<sup>11</sup>

A new phase began from about 1962 which was characterized by Ayub's attempt to build a political base through the Pakistan Muslim League and to use Bengali Muslim League politicians to secure a base for him in the East. It was recognised that such a base could only be built up if it was anchored to established social groups within the East wing who had to be given a material stake in the perpetuation of the Ayub regime. Acting upon the advice of the Harvard Advisory Group working with the Planning Commission, Ayub used the surplus farmers through the medium of the Basic Democracy system and the institution of the public works programme to build this support in the rural areas.<sup>12</sup>

In the urban sector an "attempt was made to build up a Bengali capitalist class from within the Bengali petty bourgeoisie. These classes were to be created by undiluted exercise of state patronage so that they would have no doubt as to the source of their advancement and would, thus, promote and fund Ayub's political hegemony

11. Muhammad Shahidullah, "Political Underdevelopment in Bangladesh" in Mohabbat Khan and John P. Thorp, eds, *op. cit.* p. 173.

12. See Rehman Sobhan and Muzaffer Ahmed, *Public Enterprise in an Intermediate Regime : A Study in Political Economy of Bangladesh* (Dhaka : BIDS, 1980), p. 63.

in East Pakistan. This was, thus, the first occasion where a Bengali comprador bourgeoisie class began to emerge, founded on the patronage of the ruling power and identified with the perpetuation of this power. This meant that if power at the centre was not to be shared, then resources at least would have to be diverted to the East to a sufficient extent to give credibility to this policy and to strengthen the local political base of the Ayub regime. To this extent it constituted a watershed not only in the character of the colonial regime but in the history of the Bengali bourgeoisie. For the first time the Bengali bourgeoisie were being given the opportunity to participate in the pursuit of wealth, state resources and patronage to a sufficient extent to transform themselves from petty bourgeois traders to industrial capitalists".<sup>13</sup> The contribution of East Pakistan Industrial Development Corporation (EPIDC) and the financial institutions to the growth of an entrepreneurial class in East Pakistan may be mentioned in this regard.

In fact, the financing agencies like the Industrial Development Bank of Pakistan (IDBP), Pakistan Industrial Credit and Investment Corporation (PICIC) were instrumental in setting up of 272 units under Bengali ownership. East Pakistan Small Industrial Corporation (EPSIC) supported the creation of another 1008 industrial enterprises. At liberation, about 81 Bengali capitalists could be classified as elevated to the upper bourgeoisie. If to this we add another 16 firms who may be classified as big jute exporters (over 20,000 bales per year), 12 in the Inland Water Transport sector (firms with cargo capacity of about 6,000 tons), Bengali Insurance companies, one Bengali-owned Bank, we would have covered a major part of the Bengali business community which was created by the Ayub regime.<sup>14</sup>

Another category that should be mentioned here is the class of indentors or commission agents that flourished in the late 1960s.

13. *ibid.* pp. 63-64.

14. *ibid.* p. 65.

Before that, most of the commission agents for the big foreign tenders of the government were West Pakistanis, since it was they who had access to the West Pakistani decision-makers and also contact with foreign suppliers. "By the mid-1960s Bengalis drawn from the category of the ex-civil servants, professionals and business, had begun to get a small share of this lucrative business due to the emergence of some Bengalis in the upper reaches of the bureaucracy."<sup>15</sup>

The last few years of united Pakistan witnessed the apotheosis of the rising Bengali *upper bourgeoisie*. During this phase, the development allocations to the eastern region accelerated. In the service sector Bengalis were promoted on a significant scale to senior positions. In the Provincial Secretariat, for the first time, the entire top ranks were manned by Bengalis. In the centre the number of Secretaries increased to 4 and Joint Secretaries to 14. Lawyers, engineers and accountants were much in demand by non-Bengalis and government clients. Contractors flourished; indentors found their tenders being more readily accepted even at Islamabad. Thus this last phase was something of a "golden" age for the emerging Bengali elite class.

In short, during Pakistan period, the Bengali elites who had been successful in climbing up the social ladder did so under the patronage and collaboration of the West Pakistani ruling class whether in business or government. Most of the Bengali elites acquired the character of a comprador class as they were dependent on the patronage and goodwill of the colonial establishment for their wellbeing and advancement.

### **Elite Formation in Post-liberation Bangladesh**

#### **The Mujib Regime**

With the liberation of Bangladesh, the political elites established their supremacy. The Awami League leaders who led the independence movement came to power in December 1971. A parliamentary

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15. *ibid.*

form of government was introduced according to the provisional Constitution Order 1972 and the political elites became the supreme policy makers. The 1972 Constitution, which was passed by the Constituent Assembly on 4 November 1972, essentially continued the process. The main theme of the 1972 Constitution was the supremacy of the Jatiya Sangsad (National Parliament). An important trend of the Awami League regime was the gradual strengthening of the political infrastructure at the administrative level. The party channel became the key to control and direction. The top advisers of Sheikh Mujibur Rahman were all political leaders.<sup>16</sup>

In fact, during Mujib Regime the decision-making authority rested with the Prime Minister, the Cabinet, the Parliament and Local Government Agencies, Planning Commission and Public Corporations. These bodies were manned mostly by political elites who came from middle and/or upper class backgrounds.

Out of 23 members of Mujib Cabinet 13 were lawyers, 4 were business elites, one jotedar, one teacher, one labour leader, one retired army officer and two were professional politicians.

**Table-1 : Socio-economic Background of Mujib Cabinet Members**

Profession	Number
Lawyer	13
Business executive	4
Jotedar	1
Teacher	1
Labour	1
Military	1
Professional politician	2
Total :	23

Source : Syed Serajul Islam, "Nature of Regime and Leadership in Bangladesh (1972-75)" *Seminar Proceedings*, Bangladesh Political Science Association, 1985, p. 12.

16. See Emajuddin Ahamed, *Bureaucratic Elites in Segmented Economic Growth-Pakistan and Bangladesh* (Dhaka : University Press Limited, 1980), p. 148.



Table-2: Occupational Background of Members of Parliament (in Percentage)

Year of Election	Lawyer	Business	Land Lord	Service	Teacher	Doctor	Farmer	Politics	Others	Total
1970	29.5	26.9	4.5	2.6	9.3	7.5	12.7	5.2	1.9	268
1973	26.5	23.7	2.9	0.7	9.9	5.3	15.8	12.7	3.9	283

Source : Rounaq Jahan, *Bangladesh Politics : Problems and Issues* (Dhaka : University Press Limited, 1980), p. 148.

During 1972-75 all the decisions of the Cabinet were subject to the approval of the Parliament. A survey on the occupational background of MPs (Members of Parliament) shows that majority of the MPs belonged to the urban middle class profession, such as law, business, teaching, and medicine. The lawyers were the largest group in both the Parliaments—about 30 percent of the MPs in 1970 and 27 percent in 1973. The businessmen constituted the second largest occupational group, about 27 percent of the MPs in 1970 and 24 percent in 1973. Landlords were the third important group-- about 13 percent of the MPs whose income had been fixed at Tk. 24,000 per annum. Land holding of the MPs is also an important indicator of their privileged position.

During Mujib regime, "the majority of those appointed to high post in the nationalized industries were Awami League activists who grew rich overnight by smuggling spare parts and raw materials to India. The distribution of both locally produced and imported goods was carried on by licensed 'dealers', most of whom were AL workers rather than professional traders. The AL Licensees sold their permits to professionals at high prices. Most of the permits for opening indenting (import and export) firms were given to the AL workers and sympathisers".<sup>17</sup>

The professional background of the chief executives of different nationalized corporations is of great importance for our purpose. Out of 44 appointments initially made after liberation to the position of Chief executives, 35 came from professional and or managerial background; 5 from civil bureaucracy and 4 had a military background. Subsequently, the number raised from 44 to 76 between 1972-'75, of which 44 were from professional and/or managerial background, 25 from government servants, 4 from army personnel and 3 from private business. Initially there had been a tendency to place professionals to the position of the chief executive, but

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17. Talukder Maniruzzaman, *The Bangladesh Revolution and Its Aftermath* (Dhaka : BBI, 1980) p. 159.

subsequently they were replaced by the generalists in increasing numbers.

**Table—3 : The Professional Background of the Chief Executives Appointed to the Nationalized Corporations (1972-75)**

Profession	Number	Percentage
Professionals (Lawyers, Doctors etc.)	44	57.9
Generalists	25	32.8
Military Personnel	4	5.3
Private Business	3	4.0
Total	76	100

Source : Rehman Sobhan and Muzaffer Ahmed, *Public Enterprise in an Intermediate Regime : A Study in the Political Economy of Bangladesh* (Dhaka : BIDS, 1980), p. 535.

It is a fact that "the growing economic crisis, the increasingly violent role of the radical political parties and above all, the ineffectiveness of the Awami League due to factional strifes, led Mujib to rely more and more on the bureaucrats".<sup>18</sup> On 25 January, 1975 at the initiative of Sheikh Mujib, the Constitution was amended to provide for a Presidential form of government. Mujib became President according to the Constitutional amendment and in June 1975 he announced the Constitution of the National Party, the Bangladesh Krishak Sramik Awami League (BAKSAL). He also nominated the members of the 15-member Executive Committee and the 115-member Central Committee. Mujib's heavy reliance and dependence on the bureaucratic elites at this time was indicated by the fact that he nominated 21 senior bureaucrats (former CSP officers, 1 police officer, 4 top military officers and 7 senior members of the other services) as the members of the Central Committee. On 21 June 1975 he issued a Presidential Ordinance whereby 61 districts

18. Emajuddin Ahamed, *op. cit.* p. 160.

were created by breaking the existing 19 districts and on July 16, he announced the names of the 61 District Governors. Of those Governors 14 were senior bureaucrats. Thus from the early days of 1975, the role of the bureaucratic elites became important. In most of the Corporations, civil servants were appointed and the party nominees were removed; in the Secretariat the former CSP officers were placed in key positions.<sup>19</sup>

### The Zia Regime

In late seventies following the political changes of August 1975 and more specifically after Ziaur Rahman's assumption of the state presidency, significant changes occurred in elite composition of Bangladesh. The Zia regime can be divided into two parts. The first half of his rule was a pure military regime and the second one was military regime with civilian facade. The Martial Law regime of Ziaur Rahman was, in fact, a partnership between the military officers and the elite civil servants. During this period the civil-military bureaucrats exclusively occupied important portfolios in the state apparatus.

During Martial Law, the Chief of Staff of the Bangladesh Army was the President and Chief Martial Law Administrator. The Chiefs of Staff of the Bangladesh Navy and Air Force acted as the Deputy Chief Martial Law Administrators. Moreover, the country was divided into 9 Martial Law Zones and each was under the charge of a Zonal Martial Law Administrator. These Zonal Chiefs were responsible not only for the maintenance of law and order, but they also provided significant inputs to policy and programmes of action. Among the 24 Advisers to the President, 3 were military bureaucrats, 6 were civil bureaucrats, 1 had belonged to the police service, 4 University professors, 4 business executives, 1 doctor, 1 lawyer, 2 journalists and 2 women social workers. In the overall power structure the positions of the President, the Chief Martial Law

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19. *ibid*, pp. 160-161.

Administrator, Deputy Chief Martial Law Administrators and the Advisers to the President were crucial. The key policy-making institutions of the country like the National Economic Council (NEC), Planning Commission, Secretariat and important Corporations were also dominated by the civil-military bureaucratic elites. For example, headed by the Chief Martial Law Administrator, National Economic Council consisted of the Deputy Chief Martial Law Administrators, the Advisers to the President and Deputy Chairman of the Planning Commission. In effect, most of these positions were held by the civil-military bureaucratic elites. The Planning Commission of Bangladesh was headed by a civil servant. In 1975, there were 38 Public Corporations in Bangladesh. Of the 38 Chairmen or Managing Directors, 11 were former CSP officers, 5 military officers, 2 police officers, 6 from erstwhile East Pakistan Civil Service and the rest belonged to the former central and other services. Thus, in the economic sector, the policy-making structure was dominated by a very small group of seniormost civil servants and military officers, not exceeding 60 in number.<sup>20</sup>

In April 1979 the Martial Law was lifted and a civilian government was formed under President Zia. Even after this 'Civiliansation', the civil-military bureaucrats remained dominant. The 42-member Cabinet (as in January 1980) consisted of 29 full Ministers and 13 State and Deputy Ministers. Of the 29 full Ministers, 6 were military bureaucrats, 2 were civil bureaucrats, 8 were technocrats and 13 were political leaders, and of the 13 other Ministers, 8 were politicians.

**Table 4 : President Zia's Cabinet in April 1979**

Professional Background	Number
Military bureaucrats	6
Civil bureaucrats	2
Technocrats	8
Political leaders	13
<b>Total</b>	<b>29</b>

Source : Abul Fazal Huq, "Bangladesh : Constitution, Politics and Bureaucracy", *The Rajshahi University Studies*, Part-A, Vol. XI, 1980-'83.

20. *ibid.* p. 164-65.

At the beginning of 1980, there were 41 military officers in the civil service. This number increased to 79 towards the end of that year. In June 1980 there were as many as 16 military bureaucrats holding such key posts as Joint Secretary, Additional Secretary, Deputy Secretary and Chairman or Director of Public Corporations. In December 1980, in 14 out of the 20 Districts, the Superintendents of Police were military personnel.

**Table 5 : Ziaur Rahman's Last Council of Ministers, 1981 (Among 24 full Ministers in the Cabinet)**

Professional Background	Number
Military bureaucrat	6
Civil bureaucrat	5
Technocrat	6
Businessman	4
Landlord	1
Lawyer	2
Total	24

Source : Syed Serajul Islam, "The State in Bangladesh under Zia (1975-81)", *Asian Survey*. Vol. XXIV, No. 5, May 1984.

It is important to mention that the political elites who were inducted by Ziaur Rahman in his party (The Bangladesh Nationalist Party-BNP) and the government, were mostly *Dalchuts* (breaking away from parent political parties) who enjoyed privilege and patronage under the umbrella of earlier regimes. An examination of the socio-economic background of leadership of the BNP indicates that businessmen and lawyers together constituted the majority and occupied a dominant position in the party's leadership. These groups also had landed interests and linkage with military officials and bureaucrats and together they had the maximum say in the national decision-making and implementation. Table 6 and 7 show the socio-political position of the party elites of the BNP.

**Table 6 : Socio-political Background of the Ministers/ Advisers of Ziaur Rahman's Cabinets/Advisory Councils (1976-81)**

	Number
<b>1. Party Politics</b>	
(a) Muslim League, NSF and other rightist parties	9
(b) Communist Party, NDP (B), and other leftist parties	9
(c) Krishak Praja Party	1
(d) Awami League	6
(e) Others	6
<b>Total</b>	<b>31</b>
<b>2. New Comers</b>	
(a) Military bureaucrats	13
(b) Civil bureaucrats	8
(c) Intellectuals (teacher doctor, lawyer)	18
(d) Business executives	10
<b>Grand Total</b>	<b>80</b>

Source : Mahbubur Rahman, *Factionalism in Party Politics of Bangladesh : A Case Study of the Awami League, 1949-1984*, M. Phil Thesis, Dhaka University, 1985, (unpublished), p. 106.

**Table 7 : Socio-political Background of the BNP Parliamentary Party (as in April 1979)**

	Number	Percentage (Approximate)
<b>1. Party Politics</b>		
(a) Muslim League	36	14
(b) National Awami Party (Bhashani)	36	14
(c) Awami League	21	9
(d) United Peoples Party	8	3
(e) Democratic League	6	3
(f) Other parties (NAP-Mozaffer JSD, IDL, Krishak Praja Party)	20	8
Total	127	51
<b>2. Student Politics</b>	15	6
<b>3. New Comers</b>		
(a) Social Work	35	14
(b) Government Service	13	5
(c) Business & Industry	10	4
(d) Other Professionals (including Doctors, Engineers and Journalists)	34	13
<b>4. Not Known</b>	16	7
<b>GRAND TOTAL</b>	250	100

Source : Mostafa Harun (ed) *Who's who in the Parliament 1979*  
(Dhaka, Shoukhin Prokashani), 1979.

Table 8 shows that in a country where more than 75 per cent of the population lives below the poverty line, 43 per cent of the members of Parliament belonging to BNP were in the higher income group (more than Tk. 5000).

Table 9 shows that about one-fourth (23 per cent) of the members had land holdings of over 25 acres, while 60 per cent had more



**Table-8 : Monthly Income of the Members of Parliament during Zia Regime.**

Amount	Less than Tk. 2000	Tk. 2001-5000	Tk.5001-8000	Tk.8001 and above	Total
Number	75	68	55	50	248
Percentage of the Total	30.24	27.45	22.15	20.39	100.00

Source : Golam Hossain, "Bangladesh Nationalist Party 1978-82 : Pattern of Leadership",  
*Asian Studies*, No. 7, May 1985, p. 116.

than 10 acres. While in Bangladesh nearly 75 per cent of the farmers are landless, about 80 per cent of the BNP MPs owned 6 acres and above.

**Table 9 : Land Holding of the MPs in 1979**

Land Holding by size	Less than Acre	Acre 1.5-5	Acre 5.5-10	Acre 10.5-15	Acre 15.5-25	Acre 25-and above	Total
Number	0	45	53	48	45	57	248
Percentage of the total		18.14	31.37	19.35	18.14	23.00	100.00

Source : Golam Hossain, *op.cit.*, p. 117.

In the economic field, the Zia regime followed a strategy which contributed to the growth of a new class of business and industrial elites. The encouragement of private enterprise, emphasis on export oriented industry through the private sector, promotion of agricultural production through large scale subsidies to the farmers and land owners, induction of massive foreign aid were the prominent features of its economic programme. The ceiling on private investment was raised from Tk. 30 million to Tk. 100 million and ultimately it was withdrawn, the provision for a 15-year moratorium on nationalization was abolished. While the reserve list of the public sector had been retained, the new policy provided for the disinvestment of most of the industrial units which were nationalized in 1972. The financial bodies particularly the Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha were directed to help the private entrepreneurs on a high priority basis. Other measures included a tax holiday for new industries for a period of seven years and the provision of all sorts of concessions. Moreover, necessary changes had been made in the administrative structure to enable the private sector to play a vital role.<sup>21</sup>

21. See *ibid*, pp. 183-203.

This new direction in the economic sector generated an air of optimism among the middle classes. The strategy of emphasizing on the establishment of import-substitution and export-oriented industries through private entrepreneurs absolutely benefited the businessmen and industrialists. It was reported that in 1975 the number of Bangladeshi millioners was only two; in 1981 it became more than two hundred.<sup>22</sup>

### Elite Formation under Present Regime

Since its inception, the present regime has been following the same strategy as Zia regime did in politico-economic and administrative field. As a result, the process of formation of elite under the direct patronage of government has shown a marked increase during the last few years. It is also worth mentioning that compared to the previous regime, the present regime has enhanced the position of the military elites in all walks of life. Earlier, the military regime was marked by a kind of "partnership between the elite civil servants and higher echelons of the military", after the military takeover in 1982 the military elites emerged as the single most dominant group and the civil bureaucracy has become the subordinate partner of the former. A section of political elites was incorporated later and a new class of business elites was also formed to broaden the power base and strengthen the elite-structure of the society.

After the proclamation of Martial Law in March 1982, General Ershad assumed all powers of the government as the Chief Martial Law Administrator and appointed the Chiefs of Navy and Air Force as Deputy Martial Law Administrators. Under Martial Law, the country was divided into five Zones and twenty sub-Zones headed by military officials. The Zonal, sub-Zonal and District Martial Law Administrators became not only the Chairmen of various development and planning bodies but also de facto heads of civil

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22. Akhlakur Rahman, *Jugo Shandhikkhaney Bangladesh* (Bangladesh at the Cross-roads) Speech on Political Economy, CSS, 1984, p. 32.

administrative units in their respective areas. A Council of Advisors later redesignated as the Council of Ministers was also appointed by the CMLA to aid and advise him in the state affairs. The 16-member Council of Ministers (as in July 1982) was composed of 7 military bureaucrats, 3 retired civil bureaucrats, 2 technocrats and 4 lawyers.

**Table—10: Ershad's Council of Ministers in July 1982**

Professional background	Number
Military bureaucrat	7
Civil bureaucrat	3
Technocrat	2
Lawyer	4
<b>Total</b>	<b>16</b>

Source : Abul Fazal Huq, "Bangladesh : Constitution, Politics and Bureacracy", *The Rajshahi University Studies*, Part-A, Vol. XI, 1980-83.

In a bid to civilianize the regime and also being dictated by imperatives of creating and expanding the power base, the present regime later inducted political leaders through the distribution of patronage including offering Ministerial positions. In a scrutiny of the socio-political background of all the Ministers of present government (as counted in May 1988), it was found that 13 were military bureaucrats, 9 were civil bureaucrats, 7 were intellectuals (teacher, doctor, lawyer etc), 6 were businessmen, and 45 were affiliated with party politics. Among these 45 politicians, 15 were inducted from Bangladesh Nationalist Party; 8 from Muslim League, NSF etc.; 9 from National Awami Party (Bhashani), United Peoples Party, Gonatantrik Party etc.; 2 from Jatiya Samajtantrik Dal, 1 from Jatiya League and 10 had the Awami League origin (Table—11).

**Table—11: Socio-political Background of the Ministers of Ershad Cabinets (up to May 1988).**

	Number
<b>1. Party Politics</b>	
a) BNP	15
b) Awami League (including BAKSAL)	10
c) Muslim League, NSF etc.	8
d) NAP (Bhashani) UPP, Gonatantrik Party etc.	9
e) JSD	2
f) Jatiya League	1
Total	45
<b>2. Professionals</b>	
a) Military Bureaucrats	13
b) Civil Bureaucrats	9
c) Intellectuals (teachers, doctors, lawyers)	7
d) Businessmen	6
<b>GRAND TOTAL</b>	<b>80</b>

*Source* : Mahbubur Rahman, *Factionalism in Party Politics of Bangladesh: A Case Study of the Awami League, 1949-84*, M. Phil Thesis, Dhaka University, 1985, (unpublished) p. 115

The civil-military bureaucrats have become dominant not only in the Cabinet, but also in the chief policy-making and policy-implementing institutions, like the National Economic Council (NEC), Planning Commission, National Councils, National Council Committees and in the Public Corporations. Furthermore, representation of the armed forces in the diplomatic, administrative and in other government and semi-government services have shown a progressive increase in the last few years. Data collected in April 1985 showed that out of 36 government Corporations, 17 had defence personnel as

Chairman and 12 as Director General or Director.<sup>23</sup> Latest available data (till April 1988) shows that 56 army officers are posted in key position of civil administration, that exclude those of the Ministry of Foreign Affairs.<sup>24</sup>

Privatization policy of present government has given rise to a new class of business elites. In post-1975 period, the scope of private participation in industry as mentioned in an earlier section, began to be increased through the gradual raising and finally (on 1978) the elimination of investment ceilings, denationalization (returning of nationalized industries to former owners) programmes, withdrawal of the reserve list for the public sector, simplification of credit and loan sanctioning procedures and granting of liberal fiscal and monetary incentives of various kind. The Industrial Policy of present government, as announced in June 1982, completed the denationalization programme. The stated objective was to "expand the manufacturing sector with the increased participation of the private sector".

This policy measure has had direct impact on the concentration of wealth to some fortune-seekers only. In a recent study, an analyst has identified 22 such business groups of the country, who possess more than two manufacturing units. Thirteen of these 22 business groups owe 141 crore taka to Bangladesh Shilpa Bank which amounts to 57.8% of the total loan disbursed by BSB in the period between 1980-85.<sup>25</sup> And eleven business groups ( and the two groups of debtors overlap) owe 172 crore taka to Bangladesh Shilpa Rin Sangstha which amounts to 85.5% of the total loan disbursement of BSRS loan over the same period.<sup>26</sup> Privatization policy of present regime, thus, has directly contributed to the rise of a business elite in the society.

23. Mahbur Rahman, "Socio-economic Development under Military Regime : Recent Experiences in Bangladesh", *The Journal of Political Science*, Dhaka University Vol. II, No. 1, November, 1985. p. 71

24. *Dhaka Courier*, Vol. 6, Issue 2, August 18-24, 1989 p. 31

25. *Bangladesh Secretariat Telephone Guide*, Ministry of Establishment, Ga. Govt. of Bangladesh, Branch. AD-2.

26. *ibid.*

### Conclusion

From the foregoing discussion it appears that initially land was the basis of elite formation in Bangladesh. The colonial rulers exploited the country's vast agrarian resources in collaboration with the Zamindars who were given permanent settlement rights in 1793. There was created a vast body of rich landed proprietors who were deeply interested in the continuance of the British domination and had complete command over the masses. Later, land combined with trade and other practices entrenched the position of landed aristocracy in the rural areas, while land combined with education had formed the first generation of indigenous urban elite. This elite group mainly consisted of different professional classes such as lawyer, doctor, teacher etc.

The growth of Muslim commercial and business elite is a post-Pakistan phenomenon. This group of elite emerged in the sixties under the direct patronage of President Ayub Khan, who thought that a Bengali bourgeois class would provide him with a political base in the province (the then East Pakistan) who would work as countervailing element against peasants' and workers' movements.

Following the independence of Bangladesh, there was an attempt to establish supremacy of the political elites. But the failure of first three years of democratic experimentation has been followed by a succession of ruling elites composed of the higher echelon of bureaucracy and the military. Later, leaders of some political parties followed suit to complete the alliance and finally it has appeared to be a "coalition of convenience" where the military is the dominant partner and the politicians and civil bureaucrats act as their Junior partner. The Zia regime and the present regime have been characterized by this phenomenon.

Another striking feature of elite formation in Bangladesh has been the emergence of a business elite. To be precise, the seeds of the business elite were sown during the Awami League regime when political consideration worked in the distribution of licence

and permits under state-controlled trading system. However, the business class was then rather dormant. Political patronage, combined with bureaucratic support and legal cover laid the foundation under the Zia regime and the process was reinforced under the present regime. In fact, the most striking feature of political economy of the present regime is the enormous and easy growth of mercantile capital in private hands. Because of the distorted nature of political process of the country, these business elites play an invisible, but decisive role in important policy matters of the country, largely without being actively involved in politics. The result is that today the country has a configuration of power elite, namely, military elite, civil-bureaucratic elite, political elite and business elite who play mutually supportive role in promoting corporate interests.